



Department of Justice

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NEW YORK LINEN SUPPLY COMPANY AND ITS PRESIDENT PLEAD GUILTY TO ALLOCATING CUSTOMERS

White Plains Coat & Apron Co. Inc. Agrees to Pay \$3.5 Million Fine

WASHINGTON, D.C. – A Peekskill, New York linen supply company and its president pleaded guilty today to participating in a conspiracy to allocate customers for linen supply services in the New York City metropolitan area, the Justice Department announced. The company, White Plains Coat & Apron Co. Inc., has agreed to pay a \$3.5 million criminal fine for its role in the conspiracy.

White Plains Coat & Apron Co. Inc. and its president, Bruce Botchman, a resident of White Plains, New York, were charged in U.S. District Court in Manhattan today with participating from the mid-1990s until at least September 2002 in an existing conspiracy to allocate customers for linen supply services in New York City; Westchester County, New York; and portions of northern New Jersey and Fairfield County, Connecticut. According to the charge, the long-standing conspiracy began in the late 1980s or early 1990s. Botchman, whose sentence is left to the court's discretion, has agreed to cooperate with the ongoing investigation.

“Customer allocation agreements deprive businesses and consumers of competitive choices and prices, and we will remain vigilant in detecting and prosecuting this type of behavior,” said R. Hewitt Pate, Assistant Attorney General in charge of the Antitrust Division.

Linen supply companies primarily supply restaurants, cafeterias, and caterers with laundered items such as table linens, napkins, chef's uniforms, and aprons. Linen supplies are a significant cost of business for these establishments.

According to the charge, White Plains and other linen supply companies carried out the conspiracy by agreeing not to compete for each other's customers, meeting to discuss and affirm their agreement, notifying each other when such customers were contemplating switching linen suppliers, and submitting intentionally high non-competitive price quotes or refraining from submitting price quotes to such customers.

White Plains and Botchman are charged with violating Section One of the Sherman Act, which carries a maximum penalty of a \$10 million fine for a corporation, and three years imprisonment and a \$350,000 fine for an individual. The fines may be increased to twice the gain derived from the crime or twice the loss suffered by the victims of the crime, if either of those amounts is greater than the statutory maximum fine. The plea agreement and sentences in this case are subject to court approval. The company's proposed \$3.5 million fine is to be paid over a five year period.

Today's charge resulted from an ongoing investigation of the linen supply industry being conducted by the Division's New York Field Office with assistance from the Federal Bureau of Investigation.

Anyone with information concerning territorial or customer allocation or related offenses in the linen supply industry should contact the New York Office of the Antitrust Division at (212) 264-0390.

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